

CALVIN BULLOCK FORUM
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Mr. Bullock, gentlemen, I'm really of course honored to be here. And as Director of one of our country's most secretive agencies, I have to say with some chagrin that I think I get too much publicity these days. At least, I receive too much since two and a half months ago when I found it necessary to dismiss some of our people. Now the ferment that action has stirred is symptomatic I believe of change in direction it is called for in the United States intelligence effort today. I can assure you that changing direction in an intelligence bureaucracy is no easier than in any other bureaucracy or than perhaps in the business world, and if I may have the temerity to come here to the center of the American business community and try to draw an analogy for you between the business world and the intelligence world, I think it's the analogy of a successful family business that has finally found it necessary to turn public. What I mean by this is that the family business had a product, a very good and successful product, went along for a long time and finally they found that times had changed enough that they had to modify the product, they had to diversify and they had to incorporate. Well that's something similar to the situation we face in CIA today.

The CIA is 30 years old. When it began our product was intelligence on the Soviet Union. Perhaps on some of the satellite countries under the Soviet dominance and also on those forays the Soviets made into the Third World to try to establish positions. In short the product line for many years was determined by what the Soviets were up to and where.

But look today at how different the world is. How much more diversified the United States' interests are. In your businesses, I suspect that if you look back 30 years the number of foreign countries in which your companies or corporations were concerned have just multiplied manyfold. Similarly, the United States interests have multiplied. They have multiplied now to where we have genuine, important concerns in many, many of the 150 countries around the world. Beyond that our former preoccupation with military intelligence is giving way in many respects to greater concentration on economic and political. Now, let me not mislead you. The Soviet military threat must continue to be our number one intelligence concern, but our interest in the economic events, military and political capabilities and interests of other countries is also very, very important to us today.

Now, there is one other difference between our intelligence product today and that of not very many years ago back to the beginning. Because over these years the Central Intelligence Agency has been called upon by our country, not only to provide intelligence for these activities when the Soviets have made a foray, as I called it, into the Third World to establish a position, the Agency was regularly called upon to take actions in those cases. We were there, in Iran in 1953 when the communist Tuda party was thrown out. We were there, in Guatemala in 1954 when the communist Arbenz were replaced. We were there, perhaps unfortunately, in 1961 Bay of Pigs and thereafter in Cuba. We were there quite successfully and made a good contribution for many years in Vietnam. We were there just as recently as 1975 in Angola until the Congress of the United States decided otherwise. But today you and I recognize that the attitudes towards covert political action efforts

to interfere in the internal affairs of other countries has changed in our country. While I do not believe we can renounce that potential capability, I would suggest that we are going to use it today much more judiciously and under much stricter controls. I'll speak to those controls a little more in a moment. In short, our product today in intelligence for this country is much less in the area of political action and much more in the area of collecting good intelligence information, economic, political and military, not just about 8 or 10 or 12 countries, but about many, many countries and in many, many different areas. This change of product requires changes of attitudes, changes of outlooks, changes in some of the dynasties within some of the organizations. It's not really difficult, but it's sometimes noisy and a little painful.

Now another reason that the family business incorporates is that after time it simply discovers that its production line is outdated. It needs new machinery and has to have access to capital to get it. Well, so to the machinery of intelligence is changing. If you look back at biblical times, the Battle of Jericho they sent human spies into the city before they blew the trumpets and marched around, and the human spy has been a keen element of intelligence^{collection}/ever since. In the last decade or decade and a half there has been a radical change however, in the ability of what we call technical intelligence collection systems to gather up information for us. Its almost a change, as if you were out watering the flowers in your garden yesterday with a garden hose and today with a fire hose. The quantity of data they obtain by technical intelligence just means they just multiple it manyfold.

Now, ironically we not only have to operate our production line differently but we have to emphasize human intelligence collection more. Let me explain that, because technical intelligence as a general category tells you what happened yesterday or today. But when I go to the policymaker in our government and say, such and such happened over here yesterday I can readily anticipate that his next question is going to be, what are they going to do tomorrow, why did they do that. Now finding other peoples' intentions, their plans, their thoughts, their hopes is the forte of the human intelligence collector. And so as we have multiplied the quantity of technically collected data we have multiplied the demand for this human intelligence collection effort. Yet, let me say again that the production line is different. Whereas the human element used to be the primary one, it is now first among equals in a great many different ways of collecting intelligence information and we must find ways to bring these together in a complimentary fashion so that one plays with the other and we get the maximum total return. Again, this is changing long established procedures; it's unsettling and it doesn't come easy.

Now once you have a family business where the product and the production line that hasn't changed you often find that any old cousin or uncle may not be just the right fellow to manage that new computer system and yet with the family it's sometimes difficult to tell Uncle Bill he's not needed anymore at least until you incorporate and get enough impersonal that you can get away with it. Well, we've had much the same system in CIA. Thirty years ago we were just so blessed in the early days of the CIA, '47 to the early 50's and get into the organization some of the most capable dedicated intelligence officers that you could imagine. They've done a tremendous job for us, but the

time is coming where their going to leave, very much like many family businesses we simply have not made provisions for their replacement. Let me give you an illustration. We have four categories of vice-presidents, four pay grades at the top of our structure. If you look at the average age of each of those four groups, you'll find that there is a three-year spread between them. Worst than that, if you look at three of those four groups there is a one-year spread between them. Now what this means is that we are going to lose most of those people, not too far away. Now here I have quite a different problem than almost any of you. Your bank, your oil corporation, your law office, loses 50% of its vice-presidents in a 2 or 3 year period. You can solve that problem, you go out into the market and find a replacement from other law offices or oil corporations, or banks. I can't go out in the street and find a trained spy. And yet, the reputation of our country and its success to some degree may hinge on how well those people of CIA out in the field perform the trade craft of espionage. So we must simply have in our organization a training program and a progression program that will identify and bring forward the best people. That means what I like to have is, when I go to fill an assignment that is very sensitive or risk taking, I like to have three or four choices of people to fill it in, so I can be sure we have got just the right man. That takes good, long range, personnel management system, we don't have it today and yet, when I had to in a very unpleasant action, dismiss 212 employees last November in order to make room for that progression, in order to provide for the future it was obviously, very unsettling, but it happens to be done.

Now most family businesses never get into the public limelight. Once they become a public corporation and they have stockholder's reports and stockholder's meetings they begin to live in a new environment. And so too the environment of the Central Intelligence Agency is changing today. It's difficult, it's unsettling also because secrecy is so important to so much of what we have to do. And yet, the Central Intelligence Agency today has no choice, we must be more open to the American public than in the past. There are inherent disadvantages to this, especially when you think of the way the KGB operates against us. But there also, in my opinion, substantial advantages. We want the public to understand as much as possible about what we do, because we do work for the American public and in recent years we could have benefitted by more understanding and support from the American public at times when the Agency was being criticized often _____ but the Agency had never made an effort to garner public support even though it's actions often earned it. Now, I'm not suggesting that there is any way we could go public for the majority of what we do or the ways in which we go about our business, but what we can do we can release more information that we have collected, digested, collated and evaluated, and we have been doing that, we have been doing that for this past year as what we think is a public service and I might suggest that we think it is going to be a particular public service in the American business community. For instance, last July we published a study on the prospects of the Soviet economy. Now one of the bottom lines was simply that we believe what we see, that they are going to have some economic problems in 3 or 4 years such that they will not find it easy to locate the foreign exchange they will need to buy from us, buy from other western countries the technology they are going to desire.

Last spring we put out a study on the world energy prospects. The bottom line here is simply that we believe American business should anticipate in the early 1980's there is going to be a very strong upward pressure on oil prices. Last May we put out a study on international terrorism and here we simply said that we see no prospect of this malaise of terrorism diminishing or any great prospect of the percentage of it directed at Americans and American business interests abroad is going to decrease.

Adjustments, however, and greater openness like this in an organization that traditionally has been so secret comes with considerable difficulty.

Now finally let me say that when American family business goes public it's also ^{greater} subject to much/oversight and direction from its board of directors and then it drops down to the public itself also. Now my board of directors, the President, Vice President, the National Security Council and two committees of Congress dedicated to Intelligence oversight. I call these surrogates or public oversight since full public disclosure of what we are doing is unfeasible. But today we are answering more questions, we are responding more forthrightly, more completely to the interrogations that we receive from these various surrogate oversights, and this gives us strengths as well as risks. It gives us the strengths of knowing that someone else with a different viewpoint is judging those risks we are taking. It gives us strengths of assurance that we are not getting too far off track in what the American public wants and sees as our role, and it gives us strengths in some sense in sharing the responsibilities of the risks we take. Now, I might say parenthetically here that one of those people that shares this responsibility with us, helps to

conduct this oversight from the Senate Select Committee on Intelligence is your Senator Pat Moynihan.

Now, let me in conclusion briefly say that yes there is a lot of noise in the background about the CIA today, there are a lot of grumblings in the media, a media which I think seems sometimes overly eager to look for problems and not too eager to find out where there have been accomplishments, improvements. But these distorted noises in my opinion are really grandpa, they're grandpa sitting in the backroom grumbling and wondering why, when one bookkeeper did it all, we now have to have a bank of computers. And as vociferous as some of these voices are I assure you that they do not represent any substantial, or respectable segment of opinion in the CIA. We have a consensus in going forward and knowing that we must make these changes. We must shift from an emphasis on political action to one of collecting intelligence on a diversity of subjects in a diversity of areas. We know that we must shift our product line have an integrated human and technical collection effort. We know we must shift to a modern personnel management system. We know that we must shift into a policy of adequate openness to assure the American public. Finally, we know that we must shift into full responsiveness to do the constituted external controls. Gentlemen, I believe sincerely that today the Central Intelligence Agency is providing the finest intelligence available in the world. I also assure you that I intend to keep it, just that way. Thank you.

- Q. Admiral sometime ago in regard to the Vietnam situation, there was one guy who published some story about what happened. How can you control members or former members of CIA without divulging the information -----inaudible.
- Q. Well, it's very difficult, it's a very onerous problem. I am encouraging with every persuasion I have the Attorney General to take action against this man and with Random House who collaborated with him in deliberating avoiding the constitutional processes of the country which were that we might have gotten an injunction him when he published the book, without clearing it with us, which he promised to do in writing as part of his oath of office and to me personally some months ago. We need to tighten that, and yet we need to allow for the freedom of the press which we all stand for and all feel is an essential element of our country. It is going to be difficult to determine whether we need new legislation to strengthen the authorities to prevent this and other kinds of leaks of information, it will be very controversial but I think it must be debated as a national issue - how much secrecy do we need and how are we going to enforce the secrecy that is essential.
- Q. You mentioned a restriction on political action. Do you concur that that is an essential? Second, I'd be interested in your reaction as to whether your restricted today in terms of wiretapping to the extent that you can't get the information that was in the past available when it was a little freer operation. I personally have no sympathy with this idea that wiretapping should be extended.
- A. Political action. I don't think we are unduly hampered today, in that I found few occasions in the past 10 months when I thought there was any political action that was feasible and would be effective that we weren't able to undertake. I think the real danger is that we have to, today, go through a clearance process with at least some possibility of it leaking out. We have got to stop the leaks. If we could stop the leaks in government, we could be much freer to take political action if it were appropriate. I do sincerely believe there are fewer instances today when it is appropriate. Secondly, the other half of your question was on wiretapping. No, we are particularly not circumscribed today unduly, wiretapping inside the United States. I think the citizens are well-protected, however, there are clearance procedures, it's just not done at a whim or by an individual. We are now sponsoring legislation, I testified to Congress last week, which will even tighten those procedures somewhat but I don't think unduly. We have not yet got legislation concerning wiretapping of Americans overseas, that's a more difficult problem because overseas you must work with foreign intelligence service so you're bringing them into the action and the disclosures of how you're doing it and so on are much more risky. So that's a problem you're going to have to cross before long.

- Q. Admiral is there any connection between recent developments in Nicaragua and the Panama Canal negotiations?
- A. I see absolutely none. There is no hint of any connection there it seems to me it's truly an internal affair there in Nicaragua.
- Q. Admiral, 20 years or so ago (inaudible) there was a very effective recruiting campaign conducted and a great many very outstanding people came from colleges into the Agency, and now there is an entirely different atmosphere--would you tell us anything about this?
- A. Yes, I certainly don't want to leave the impression from my remarks that we have not had a continual influx of high quality people. It's that it was a young organization and young people came in at the beginning and stayed with it and the young ones have come behind and some of them have moved on into the top, of course, but many of them have been bottlenecked down below. But today, we are recruiting excellent people despite all the talk on the campuses of anti-government, anti-CIA. We have consistently recruited well and we are not as well received on some of the Ivy League campuses, or right here in this city, Columbia, we can't put up a booth here. But we go to something like 57 universities a year and put up our booth and do a good job and I'm very impressed with the quality of the people who are obtained.
- Q. Admiral it's no secret that for many years that relations between the CIA and the FBI were quite strained in regard to division of responsibility and cooperation. Would you be able to comment on how you see that situation now and if there is a difference?
- A. There not at all strained today. Since the structure of J. Edgar Hoover, things began to come back to normal, and I find a very strong spirit of cooperation right now. In addition, we organizationally have set it up that I have an advisory board composed of all the elements of the intelligence community and meet with them almost weekly and the FBI is represented on that, so they get their word in on what we are doing and we get to ask them for help when we need it. I was looking forward to working with Judge Johnson whom I had begun to establish contact and now I'm hoping to get in touch with one of the two candidates when selected. It is very important, especially in counterintelligence. I suppose you know counterintelligence inside the United States is done by the FBI, it's finding out what people are doing against us, it's done by the CIA outside the United States but clearly is a handoff process from one geographical scene to the other, so we must work very closely together.
- Q. Admiral that leads me to something that has been bothering me and some of the rest of us. You mentioned the KGB and the other team and I have an uncomfortable feeling that all these restrictions, perhaps the Congress and the exposures you get in the press have inhibited you in your organization, so you sort of can't play the game by the same rules. That's very damaging. I have the feeling that they are doing a lot of things that you are not allowed to do.

Q. That's true. There are a lot of things they do, we're not allowed to do, and I don't know that we want to do them all. It's clearly a trade-off problem, the thing protecting our nation's rights and not letting what we stand for go down the drain, in the effort to protect it and at the same time restraints within the government today are not so onerous as to put us at a substantial disadvantage. Restraints that come from the leaks to the media are more troublesome because if there are too many of these over a period of time foreign agents who work for us, who conduct treason in our behalf, who are more patriotic Americans, although they are not Americans as so many other people, they are going to lose confidence, because their necks are out. Foreign intelligence agencies with whom we cooperate, this has become a very expensive business. We have to work on a partnership basis wherever we can do so. They are going to be wary as to what they can share with us. So, we can't undermine that confidence that must rest in our intelligence apparatus. And yet, in closing these loops, loopholes we have got to be judicious, legal, careful, but I'm doing my part, what I call draconian measures to stop these leaks, all within obviously proper bounds. But, for instance there are too many people in our Country who have permission to see some of the most secret information. So, I arbitrarily disclosed it awhile ago, in your office not one more, you've got to take one off, we are trying things like that, but it appears to have become worse in the last few weeks and months, it is a really serious problem.

Q. Admiral, the word Central seems to interest me very much. It seems to me that when the organization was set up it was probably an unrealistical -- (inaudible)

A. That is a very good question and probably a good thing we had a 20 minute limit. I talk to you today really as the Director of the Central Intelligence Agency, rather than the Director of Central Intelligence. As you know, I have two jobs as Director of Central Intelligence I'm to coordinate all the intelligence activities of our Country, whether it's done by the CIA or the Defense Department or Treasury Department or anyone else. And you are right about the intent of the original Act of 1947 and you are right it has never quite worked out that way. Next week President Carter will sign a new reorganization order for the Intelligence Community. I will have control over the budgets. Control over what we call tasking--telling them what to do when they go out and use these technical or human intelligence collection systems. So that it is well-coordinated and together. And control over the flow of information within the community. Sometimes we want to hold something the committee should be passing around, sometimes for a sense of protecting these methods of collecting. And these are efforts to strengthen the centralized authority, I think, are a proper step and I really believe the arrangement that came out almost 6 months to the date on this is a very proper one. It still leaves the Department of Defense

Q. How would you characterize Admiral, the morale in the Agency regarding those agents that received all the abrupt dismissals?

A. Morale is a tough word to define. Everybody says that morale has gone down. I always prefer to say that the grumbling, griping has increased. I think it is a transient phenomenon, though I'm going to dismiss another couple of hundred in another couple of months, I promised them this. The interesting part of the phenomenon is that on August 8th I announced that over 2 years we would be losing 820 positions. I gave a schedule for when we would announce these, and between then and the first announcement I never received one -

on the first of November, I never received one complaint. On the first of November, when it got personal the noise began. I'm suggesting to you that there is a very universal recognition that we are overstaffed, and when you are overstaffed and you have highly capable people, motivated, dedicated people, who are not fully employed and who are over-managed, you are in trouble and your morale is going to go down ~~for x t h a t x x x e x s o n x x x x T h e x x x x~~ and was down for that reason. The younger people were not motivated to stay in the organization, for the sake of efficiency and your tax dollars and mine and for the sake of building for the future I had no alternative but to pare down the excess overhead, and it all came out of headquarters. I'm talking about cutting down on the number of people we have overseas, doing their job. And the next set of releases will be another dip in morale, but I'm not concerned. They are tremendously capable, wonderful people and the grumbling will settle down when that change in personnel management systems and these other changes which I have mentioned to you, which are unsettling have been absorbed and understood, and I don't think today it has any perceptible impact on our effectiveness and our efficiency, people are too dedicated despite what some of you may have seen on television last night. Mr. Ray Cline saying our efficiency was down some 50%. He is an old and good friend of mine but he is out of touch.

- Q. Do you find that with all the publicity that some of the foreign services are less willing to cooperate with the CIA?
- A. I have not seen any evidence of a lack of cooperation, but we certainly know they are nervous with this leak situation that has come about. And they are frankly nervous, until we settle down with the Congress on just what the ground rules are going to be there because it is an unknown quantity to them. Once the Executive Order is signed next week, then we will work probably for a year or more with the Congress to set out in charters, in law how we are going to operate. Some of the Executive Order will be translated into law in effect and until that's all finished there will be a certain apprehension on their part. I have been very pleased and you have to think very carefully about the distinguishing between political in Congress keeping private secrets when there is a political advantage to be gained and people in that position keeping secrets when it is a national security issue of major import, and as we have exchanges more information with those people, just watch them be more and more responsible because they didn't know about some of these things before and when they do they realize the weight they have assumed, the responsibility they have taken on their shoulders and I have confidence that we can, we don't exchange everything clearly, we have got to have limits. I have a statutory responsibility to ensure that we don't necessarily hazard our sources and methods of collecting intelligence, they would dry up if we let them out. So, I have to play a very delicate line here, but I think in the long run those relations with the foreign services will settle down and be just as productive as ever.
- Q. Admiral would you care to comment, in your opinion, as to why it seems that another traditional democracy, the United Kingdom doesn't have the same problems with the Sunshine Laws and so forth as we seem to be having with the Agency.
- A. They are having more problems than they have had in that regard. They have a longer tradition than we with an Official Secrets Act they have a long tradition that their parliament does not interrogate their intelligence officers, but recently there have been accusations against MI-5 and MI-6, they bugged Downing street, that's leading to demands in Great Britain for revisions of the Official Secrets Act to give it more control, such as we have. They are not as far along as we, but it comes from a different understanding of intelligence and a little different tradition. But also I would note that Italy has reorganized their intelligence service recently and part of it is included under political leader control, it used to be under the military. In Germany they have recently established a thing just like our Select Committee in the congress, the Bunderstadt now has a committee that gets right into the knickers of the German intelligence, I think we may be in the forefront but we are not alone.

- Q. Could you tell me what it is that keeps Columbia university _____?
- A. It's the attitude on the campus and the unwillingness of the Columbia administration to take the risk of our being there. We just got to get more support.
- Q. Admiral would you comment on the dangers of infiltration that the West Germans have experienced recently, and what is the answer to that, it's obviously that their political situation is more delicate than ours. They must have been frankly shocked when they found the stunt _____.
- A. That case of course was a year and a quarter old when it was resurfaced in the press here. We hope they haven't had that problem in the immediate past year. Germany is clearly as you said very, very vulnerable to infiltration, people back and forth. I do feel very sincerely that all of our countries today must redouble our counterintelligence efforts. The techniques of getting information as I indicated are more numerous today, and in addition, in a world amity there is much more exchange of people, much more opportunity to make contact. It works in both directions, but with this we have for instance, so many more Soviet citizens coming to this country today than ever before, the ratio of that to FBI counterintelligence agents is growing up geometrically. We have got to take more seriously and recover from the legacy of the Hoover/CIA falling out and so we are going to put more effort on that, but it is just something you have to work at judiciously.
- Q What sort of restraints are there on former congressmen as to maintaining security, as you have on former employees who have signed an oath?
- A. I don't think there is anything but the same ones that apply to any citizen who is ever given classified information and even those are fairly tenuous, it's the Espionage Act of 1917 with a lot of loopholes.

